



SACHI A. HAMAI
Interim Chief Executive Officer

County of Los Angeles
CHIEF EXECUTIVE OFFICE

Kenneth Hahn Hall of Administration
500 West Temple Street, Room 713, Los Angeles, California 90012
(213) 974-1101
<http://ceo.lacounty.gov>

"To Enrich Lives Through Effective And Caring Service"

Board of Supervisors
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August 04, 2015


The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

18 August 4, 2015


PATRICK O'QUINN
ACTING EXECUTIVE OFFICER

LEASE RENEWAL
DEPARTMENT OF MENTAL HEALTH
21081 SOUTH WESTERN AVENUE, TORRANCE
(FOURTH DISTRICT)
(3 VOTES)

SUBJECT

A seven-year lease renewal for the Department of Mental Health to provide continued use of 6,053 square feet of office space and 24 on-site parking spaces.

IT IS RECOMMENDED THAT THE BOARD:

1. Find that the proposed lease is categorically exempt from the provisions of the California Environmental Quality Act pursuant to Class 1 of the Environmental Document Reporting Procedures and Guidelines adopted by the Board of Supervisors, per Section 15301 of the State of California Environmental Quality Act Guidelines (Existing Facilities).
2. Approve and instruct the Mayor to sign the seven-year lease renewal with AMSTAR-7, LLC (Landlord) for the Department of Mental Health to occupy 6,053 square feet of office space and 24 on-site parking spaces located at 21081 South Western Avenue, Torrance, at an initial annual rental cost of \$148,904. The Department of Mental Health is 100 percent funded through State and federal revenues.
3. Authorize the Interim Chief Executive Officer and the Director of Mental Health to implement the project. The lease renewal will be effective upon approval by the Board of Supervisors.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Since October 19, 2007, the Department of Mental Health (DMH) has occupied 3,668 square feet of office space. The premises were expanded by 2,385 square feet on July 1, 2012, under a separate agreement, providing DMH a combined total of 6,053 square feet. The two current lease terms expired May 31, 2015 and June 30, 2015, respectively, and the County is currently on a month-to-month holdover. DMH provides mental health services to clients through their Training Intervention Education and Services (TIES) for Families program, to promote the successful adoption, growth, and development of children with special needs, who are in foster care. The TIES program started as a satellite program at Harbor-University of California Los Angeles (UCLA) Medical Center. Within TIES, DMH has a Multi-Interdisciplinary Assessment Team (MAT) that works in collaboration with the Department of Children and Family Services (DCFS) to ensure appropriate mental health services are provided to the children. DMH TIES for Families program is housed within Service Planning Area (SPA) 8, which has one of the largest populations of foster children in the County. The MAT staff primarily serves clients in SPA8, as well as serving clients Countywide, in addition to being favorably located close to the Torrance DCFS office, the Harbor-UCLA Medical Center, several perinatal drug treatment programs, and the Harbor Regional Center.

DMH has 30 clinical and administrative staff members, and plans to add two more staff members through an additional grant from DCFS for an Adoption Promotion program. The lease renewal, along with some improvements to the premises included in the rent, will provide DMH the necessary clinic and office space to continue to care for their clients through onsite appointments, meetings, group therapy, training, and treatment. The office also serves as a home base for staff serving clients in the field.

Implementation of Strategic Plan Goals

The Countywide Strategic Plan Goal of Integrated Services Delivery (Goal 3) directs that we maximize opportunities to measurably improve client and community outcomes and leverage resources through the continuous integration of health, community, and public safety services. The proposed lease supports these goals by continuing to provide services to families and children who receive physical and mental health care services from numerous systems, including DCFS, schools, Medi-Cal, other cross-sector agencies, and community programs that work collaboratively with DMH. The proposed lease is in conformance with the Asset Management Principles as outlined in Attachment A.

FISCAL IMPACT/FINANCING

The proposed lease will provide the County uninterrupted use of 6,053 square feet of office space and 24 on-site parking spaces for an initial full-service base rent of \$12,408.65 per month, or \$148,904 annually, i.e., \$2.05/\$24.60 per square foot per month/year; or approximately \$1,136,136 over the term. Included in the rent is the provision for new paint and minor improvements provided by the Landlord. This is a full-service lease whereby the Landlord is responsible for all operating costs associated with the County's occupancy. Attachment B is an overview of the changes in the lease renewal.

Sufficient funding for the proposed lease is included in the Fiscal Year (FY) 2015-16 Rent Expense budget and will be billed back to DMH. DMH has sufficient funding in its FY 2015-16 operating budget to cover the projected lease costs which are 100 percent funded through State and federal funds.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The proposed lease renewal will provide DMH continued use of 6,053 square feet of office space and 24 on-site parking spaces and contains the following provisions:

- A seven-year lease, effective upon adoption by the Board of Supervisors.
- A full-service gross lease whereby the Landlord will be responsible for the operational and maintenance costs of the facility.
- 24 on-site parking spaces in the adjacent parking lot are included in the rental rate.
- Annual step rent adjustments of 3 percent.
- The landlord will provide base tenant improvements in the form of preparation of premises to include paint, carpet in lobby and hallway of the suite, chair rails, corner guards, and accessibility improvements in restrooms and parking lot. The improvements are included in the rental rate.
- A cancellation provision allowing the County to cancel the lease any time after the first 60 months of the lease renewal term with 120 days prior written notice.

The Chief Executive Office (CEO) Real Estate Division staff conducted a survey within the service area to determine the availability of comparable and more economical sites. Staff was unable to identify any sites in the surveyed area that could accommodate this requirement more economically, nor are there any County-owned or leased facilities available for this program. Based upon the survey, staff has established that the annual rental range for similar space is between \$22.20 and \$25.80 per square foot on a full-service gross basis, including parking. Thus, the proposed annual rental rate of \$24.60, including parking, represents a rate within the market range for the area. Attachment C shows County-owned or leased facilities in the proximity of the service area, and there are no suitable County owned or leased facilities available for the program.

The Department of Public Works inspected the facility and found it seismically suitable for County occupancy. The building was surveyed for compliance with the Americans with Disabilities Act, and the landlord has ensured path of travel requirements have been or will be met. Notification letters have been sent to the City of Torrance pursuant to Government Code Sections 25351 and 65402.

A child care center is not feasible in the proposed leased premises. The proposed lease renewal will provide a central and appropriate location, which is consistent with the County's facility location policy adopted by the Board of Supervisors on July 24, 2012, as outlined in Attachment D.

ENVIRONMENTAL DOCUMENTATION

The CEO has concluded that this project is exempt from the California Environmental Quality Act (CEQA) as specified in Class 1 of the Environmental Document Reporting Procedures and Guidelines adopted by the Board of Supervisors, and Section 15301 of the State CEQA Guidelines (Existing Facilities).

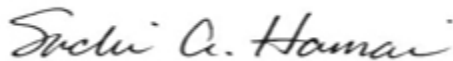
IMPACT ON CURRENT SERVICES (OR PROJECTS)

The proposed lease renewal will adequately provide the necessary space for this County requirement, and DMH concurs with the recommendation.

CONCLUSION

It is requested that the Executive Office, Board of Supervisors, return three originals of the executed lease, two certified copies of the Minute Order, and the adopted, stamped Board letter to the CEO, Real Estate Division at 222 South Hill Street, 3rd Floor, Los Angeles, CA 90012 for further processing.

Respectfully submitted,

A handwritten signature in cursive script, reading "Sachi A. Hamai".

SACHI A. HAMAI

Interim Chief Executive Officer

SAH:TT:CMM

TS:RL:FC:gw

Enclosures

c: Executive Office, Board of Supervisors
Auditor-Controller
County Counsel
Mental Health

DEPARTMENT OF MENTAL HEALTH
21081 SOUTH WESTERN AVENUE, TORRANCE
Asset Management Principles Compliance Form¹

1.	<u>Occupancy</u>		Yes	No	N/A
	A	Does lease consolidate administrative functions? ²			X
	B	Does lease co-locate with other functions to better serve clients? ²			X
	C	Does this lease centralize business support functions? ²			X
	D	Does this lease meet the guideline of 200 sq. ft of space per person? ² DMH has 30 staff members and 6,053 sq. ft. or 201 sq. ft. per person.	X		
	E	Does lease meet the 4/1000 sq. ft. parking ratio guideline? ² The program was approved for 24 parking spaces, or 3.96/1000 parking ratio.	X		
	F	Does public parking and mass-transit exist to facilitate employee, client and visitor access to the proposed lease location? ² The location is served by the Torrance Transit System which connects to the 110, 105 and 405 FWYS, and Pacific Coast Hwy.	X		
2.	<u>Capital</u>				
	A	Is it a substantial net County cost (NCC) program? 100% funding from State and federal funds.		X	
	B	Is this a long term County program?	X		
	C	If yes to 2 A or B; is it a capital lease or an operating lease with an option to buy?		X	
	D	If no, are there any suitable County-owned facilities available?		X	
	E	If yes, why is lease being recommended over occupancy in County-owned space?			X
	F	Is Building Description Report attached as Attachment C?	X		
	G	Was build-to-suit or capital project considered? ²		X	
3.	<u>Portfolio Management</u>				
	A	Did department utilize CEO Space Request Evaluation (SRE)?	X		
	B	Was the space need justified?	X		
	C	If a renewal lease, was co-location with other County departments considered?			X
	D	Why was this program not co-located?			
		1. ____ The program clientele requires a "stand alone" facility.			
		2. <u>X</u> No suitable County occupied properties in project area.			
		3. <u>X</u> No County-owned facilities available for the project.			
		4. ____ Could not get City clearance or approval.			
		5. ____ The Program is being co-located.			
	E	Is lease a full service lease? ²	X		
	F	Has growth projection been considered in space request?	X		
	G	Has the Dept. of Public Works completed seismic review/approval?	X		
¹ As approved by the Board of Supervisors 11/17/98					
² If not, why not?					

FISCAL IMPACT/FINANCING OVERVIEW OF LEASE CHANGES

21081 South Western Avenue, Torrance	Existing Lease Premises 1 (Suite 295)	Existing Lease Premises 2 (Suite 200)	Proposed Lease	Change
Area (square feet)	3,668	2,385	6,053	None
Term	8 years (6/01/2007-5/31/2015)	3 years (7/1/2012-6/30/2015)	7 years (upon Board approval- 2022)	+7 years
Annual Rent	\$90,233	\$58,671	\$148,904	None
Base TI Allowance	\$55,020	\$35,775	Paint, carpet and minor alterations, included in the rent	Paint, carpet and minor alterations, included in the rent
Additional TI Allowance	\$311,780	\$71,550	None	No additional TI allowance
Annual TI Reimbursement	\$53,847	\$28,574	None	No TI payments
Change Order	\$0	\$5,000	None	None
Maximum Annual Rent ⁽¹⁾	\$144,079	\$87,245	\$148,904	-\$82,420
Cancellation	Yes at 4 th , 5 th , 6 th and 7 th year anniversaries, with 120 days' notice	Yes, after 2 years, with 90 days' notice	Yes, any time after 5 years, with 120 days' notice	Any time after 5 years, with 120 days' notice
Parking (included in Rent)	15	10	24	-1 parking space
Option to Renew	None	One option for less than 1 year to coincide with lease 1 termination date	None	No Option
Rental Adjustment	Flat no rent increases	Flat no rent increases	3 percent annual step increases	+3 percent annual step increases

¹ The Maximum annual rent for existing premises 1 and 2 include the base rent plus the reimbursement of additional Tenant Improvements. Lease Premises 1 had \$85 per square foot or \$311,780 in Additional TIs, amortized at 8.5% over 96 months for maximum monthly/annual payments of \$4,487.18/\$53,847; Lease Premises 2 had \$30 per square foot or \$71,550 + \$5,000 change order allowance= \$76,550 in additional Tis, amortized at 7.5% over 36 months for maximum monthly/annual payments of \$2,381.18/\$28,574.17.

**DEPARTMENT OF MENTAL HEALTH
21081 SOUTH WESTERN AVENUE, TORRANCE
SPACE SEARCH-WITHIN 3 MILE RADIUS**

LACO	Facility Name	Address	Ownership	Gross SQFT	Net SQFT	Available SQFT
A655	ALT PD & PUB DEFENDER-TORRANCE BRANCH OFFICES	3655 TORRANCE BLVD, TORRANCE 90503	LEASED	8,106	4,968	NONE
2063	HARBOR-REI ADMINISTRATION BUILDING N-14	1124 W CARSON ST, TORRANCE 90502	OWNED	11,802	8,829	NONE
2093	HARBOR-REI MEDICINE OFFICES E-2	1000 W CARSON ST, TORRANCE 90502	OWNED	4,007	3,611	NONE
2095	HARBOR-REI PEDIATRICS/ EMERGENCY MEDICINE E-4	1000 W CARSON ST, TORRANCE 90502	OWNED	10,051	7,219	NONE
2101	HARBOR-HOSPITAL PLANNING & ARCH/MECHANICAL F4	1000 W CARSON ST, TORRANCE 90502	OWNED	5,804	5,544	NONE
2127	HARBOR-WOMEN'S HEALTHCARE PROGRAMS BLDG N-35	1000 W CARSON ST, TORRANCE 90502	OWNED	1,535	1,192	NONE
2869	HARBOR-MEDICAL RECORDS OFFICE F-8	1000 W CARSON ST, TORRANCE 90502	OWNED	4,040	2,836	NONE
2870	HARBOR-REI NEUROLOGY BUILDING F-9	1000 W CARSON ST, TORRANCE 90502	OWNED	5,184	3,863	NONE
2958	DHS-CHILD HEALTH DISABILITY & PREVENTION N-34	1000 W CARSON ST, TORRANCE 90502	OWNED	1,125	874	NONE
4479	ANIMAL CONTROL #3-ADMINISTRATION BUILDING	216 W VICTORIA ST, CARSON 90248	OWNED	1,495	704	NONE
A074	CSSD-DIVISION V HDQTRS/ TORRANCE HEALTH CTR	20221 S HAMILTON ST, TORRANCE 90502	LEASED	66,825	54,835	NONE
A389	PW-INC CITY OFFICE/AREA 1 FIRE PREVENTION OFF	701 E CARSON ST, CARSON 90745	GRATIS USE	1,314	1,314	NONE
T529	HARBOR-PAYROLL TRAILER L-4	1000 W CARSON ST, TORRANCE 90502	OWNED	2,160	1,423	NONE
T530	HARBOR-HUMAN RESOURCES TRAILERS L-2 & L-3	1000 W CARSON ST, TORRANCE 90502	OWNED	1,034	872	NONE
T531	HARBOR-PATIENT FINANCIAL SERVICES 3-SOUTH	1000 W CARSON ST, TORRANCE 90502	OWNED	12,240	9,936	NONE
T606	HARBOR-ENVIRONMENTAL HEALTH & SAFETY BLD N-32	1000 W CARSON ST, TORRANCE 90502	OWNED	3,600	3,144	NONE
X904	HARBOR-REI EMERGENCY MEDICINE OFFICE N-7	1000 W CARSON ST, TORRANCE 90502	OWNED	1,011	672	NONE
X907	HARBOR-NURSING PRACTICE AFFAIRS BUILDING N-18	1000 W CARSON ST, TORRANCE 90502	OWNED	2,160	1,586	NONE

FACILITY LOCATION POLICY ANALYSIS

Proposed Lease: A seven-year lease renewal for the Department of Mental Health (DMH) – 21081 South Western Avenue, Torrance – 4th District.

A. Establish Service Function Category – Countywide direct service function.

B. Determination of the Service Area – The proposed lease renewal will provide the Department of Mental Health (DMH) with uninterrupted use of 6,053 square feet of office space for the DMH Training Intervention Education and Services (TIES) for Families program, providing special needs' foster children and their families with mental and other support services. DMH TIES provides services to Service Planning Area (SPA) 8, as well as Countywide.

C. Apply Location Selection Criteria to Service Area Data

- Need for proximity to service area and population:

DMH TIES is housed within SPA 8, which has one of the largest populations of foster children in the County. They also service clients Countywide

- Need for proximity to existing County facilities:

The program is located close to the Torrance Department of Children and Family Services, the Harbor-UCLA Medical Center, several perinatal drug treatment programs, and the Harbor Regional Center, which provides services to citizens with developmental disabilities.

- Need for proximity to Los Angeles Civic Center:

N/A

- Economic Development Potential: The proposed lease renewal will provide continuity of operations and uninterrupted occupancy of suitable office space, which will minimize costs compared to relocation options.
- Proximity to public transportation: The current facility is located on the corner of Western Avenue and Torrance Boulevard, with accessible public transportation through the Torrance Transit Bus System.
- Availability of affordable housing for County employees: The surrounding cities provide for affordable rental opportunities.
- Use of historic buildings: N/A

- Availability and compatibility of existing buildings: There are no existing County buildings available to meet DMH's service needs.
- Compatibility with local land use plans: The site is currently zoned commercial and the current use as office space is consistent with the building's use, zoning, and not in conflict with the goals and policies of the City of Torrance.

Notification letters have been sent pursuant to Government Code Sections 25351 and 65402.

- Estimated acquisition/construction and ongoing operational costs:
The initial annual base rent of \$148,904, including parking comprise the total annual rent costs for the facility. Sufficient funds for the proposed lease costs will be available in the Fiscal Year (FY) 2015-2016 Rent Expense budgets and will be charged back DMH. The lease costs are fully funded by State and federal funds.

D. Analyze results and identify location alternatives

Location alternatives were not identified due to cost concerns involving relocation and the departments' desire to renew the lease and remain at their current location.

E. Determine benefits and drawbacks of each alternative based upon functional needs, service area, cost, and other Location Selection Criteria

N/A

**COUNTY OF LOS ANGELES
CHIEF EXECUTIVE OFFICE
LEASE AGREEMENT**

DEPARTMENT OF MENTAL HEALTH, as Tenant

LANDLORD: AMSTAR-7 LLC, a Colorado limited liability company

21081 SOUTH WESTERN AVENUE, TORRANCE, CA

78394

TABLE OF CONTENTS

1. BASIC LEASE INFORMATION	1
1.1. <u>TERMS</u>	1
a. <u>Landlord's Address For Notice:</u>	1
b. <u>Tenant's Address For Notice:</u>	1
c. <u>Premises:</u>	1
d. <u>Building:</u>	1
e. <u>Term:</u>	2
f. <u>Projected Commencement Date:</u>	2
g. <u>Commencement Date:</u>	2
h. <u>Basic Rent:</u>	2
i. <u>Early Termination Notice Date:</u>	2
j. <u>Rentable Square Feet in the Premises:</u>	2
k. <u>Use:</u>	2
l. <u>Initial Departmental Use:</u>	2
m. <u>Parking Spaces:</u>	2
n. <u>Normal Working Hours:</u>	2
o. <u>Asbestos/Environmental Report:</u>	3
1.2. <u>DEFINED TERMS RELATING TO LANDLORD'S WORK LETTER</u>	3
a. <u>Base Tenant Improvement Allowance:</u>	3
b. <u>Additional Tenant Improvement Allowance:</u>	3
c. <u>Additional Tenant Improvement Amortization Rate:</u>	3
d. <u>Tenant's Work Letter Representative:</u>	3
e. <u>Landlord's Work Letter Representative:</u>	3
f. <u>Landlord's Address for Work letter Notice:</u>	3
g. <u>Tenant's Address for Work Letter Notice</u>	3
h. <u>Exhibits to Lease:</u>	4
1.3. <u>LANDLORD'S WORK LETTER:</u>	4
1.4. <u>SUPPLEMENTAL LEASE DOCUMENTS:</u>	4
2. PREMISES	4
3. COMMON AREAS	4
4. COMMENCEMENT AND EXPIRATION DATES	5
4.1. <u>TERM</u>	5
4.2. <u>TERMINATION RIGHT (INTENTIONALLY OMITTED)</u>	5
4.3. <u>EARLY POSSESSION (INTENTIONALLY OMITTED)</u>	5
4.4. <u>EARLY TERMINATION</u>	5
5. RENT	5
6. USES	6
7. HOLDOVER	6
8. COMPLIANCE WITH LAW	6
9. DAMAGE OR DESTRUCTION	6
9.1. <u>DAMAGE</u>	6
9.2. <u>TENANT TERMINATION RIGHT</u>	7
9.3. <u>DAMAGE IN LAST YEAR</u>	7
9.4. <u>DEFAULT BY LANDLORD</u>	7

10. REPAIRS AND MAINTENANCE	8
10.1. <u>LANDLORD REPRESENTATIONS</u>	8
10.2. <u>LANDLORD OBLIGATIONS</u>	8
10.3. <u>TENANT OBLIGATIONS</u>	9
10.4. <u>TENANT'S RIGHT TO REPAIR</u>	9
11. SERVICES AND UTILITIES	10
11.1. <u>HVAC</u>	10
11.2. <u>ELECTRICITY</u>	10
11.3. <u>ELEVATORS</u>	10
11.4. <u>WATER</u>	10
11.5. <u>JANITORIAL</u>	10
11.6. <u>ACCESS</u>	11
12. LANDLORD ACCESS	11
13. TENANT DEFAULT	11
13.1. <u>DEFAULT</u>	11
13.2. <u>TERMINATION</u>	11
13.3. <u>NO EFFECT ON INDEMNITY</u>	12
14. LANDLORD DEFAULT	12
14.1. <u>REMEDIES</u>	12
14.2. <u>WAIVER</u>	12
14.3. <u>EMERGENCY</u>	13
15. ASSIGNMENT AND SUBLETTING	13
16. ALTERATIONS AND ADDITIONS	13
16.1. <u>LANDLORD CONSENT</u>	13
16.2. <u>END OF TERM</u>	13
17. COMDEMNATION	14
17.1. <u>CONTROLLING TERMS</u>	14
17.2. <u>TOTAL TAKING</u>	14
17.3. <u>PARTIAL TAKING</u>	14
17.4. <u>RESTORATION</u>	14
17.5. <u>AWARD</u>	15
17.6. <u>WAIVER OF STATUE</u>	15
18. INDEMNIFICATION	15
18.1. <u>TENANT'S INDEMNITY</u>	15
18.2. <u>LANDLORD'S INDEMNITY</u>	15
19. INSURANCE	16
19.1. <u>LANDLORD'S INSURANCE</u>	16
19.2. <u>INSURANCE REQUIREMENTS</u>	16
19.3. <u>CERTIFICATES</u>	17
19.4. <u>WAIVER OF SUBROGATION</u>	17
20. PARKING	17
20.1. <u>TENANT'S RIGHTS</u>	17
20.2. <u>REMEDIES</u>	17
21. ENVIRONMENTAL MATTERS	18
21.1. <u>HAZARDOUS MATERIALS</u>	18

21.2. <u>LANDLORD INDEMNITY</u>	18
22. <u>ESTOPPEL CERTIFICATES</u>	19
23. <u>TENANT IMPROVEMENTS</u>	19
24. <u>LIENS</u>	19
25. <u>SUBORDINATION AND MORTGAGES</u>	19
25.1. <u>SUBORDINATION AND NON-DISTURBANCE</u>	20
25.2. <u>EXISTING DEEDS OF TRUST</u>	20
25.3. <u>REQUEST FOR NOTICE</u>	20
25.4. <u>NOTICE OF DEFAULT</u>	20
26. <u>SURRENDER OF POSSESSION</u>	20
27. <u>SIGNAGE</u>	20
28. <u>QUIET ENJOYMENT</u>	21
29. <u>GENERAL</u>	21
29.1. <u>HEADINGS</u>	21
29.2. <u>SUCCESSORS AND ASSIGNS</u>	21
29.3. <u>BROKERS</u>	21
29.4. <u>ENTIRE AGREEMENT</u>	21
29.5. <u>SEVERABILITY</u>	22
29.6. <u>NOTICES</u>	22
29.7. <u>GOVERNING LAW AND FORUM</u>	22
29.8. <u>WAIVERS</u>	22
29.9. <u>TIME OF ESSENCE</u>	22
29.10. <u>CONSENT</u>	22
29.11. <u>COMMUNITY BUSINESS ENTERPRISES</u>	23
30. <u>AUTHORITY</u>	23
31. <u>ACKNOWLEDGEMENT BY LANDLORD</u>	23
31.1. <u>CONSIDERATION OF GAIN PROGRAM PARTICIPANTS</u>	24
31.2. <u>SOLICITATION OF CONSIDERATION</u>	24
31.3. <u>LANDLORD ASSIGNMENT</u>	24
Exhibit A – Floor Plan of the Premises	i
Exhibit B – Legal Description of the Property	ii
Exhibit C – Commencement Date memorandum and Confirmation of Lease Terms	iii
Exhibit D – Heating, Ventilation, and Air Conditioning Standards	iv
Exhibit E – Cleaning and Maintenance Schedule.....	v
Exhibit F - Tenant Improvements/Preparation of Premises.....	vi

Landlord's Work Letter- N/A

Supplemental Lease Documents:

- Document I: Subordination, Non-disturbance and Attornment Agreement
- Document II: Tenant Estoppel Certificate
- Document III: Community Business Enterprises Form
- Document IV: Request for Notice

COUNTY OF LOS ANGELES
CHIEF EXECUTIVE OFFICE
LEASE AGREEMENT

THIS LEASE is entered into as of the 4th day of August, 2015 between **AMSTAR-7 LLC**, A Colorado limited liability company ("Landlord"), and **COUNTY OF LOS ANGELES**, a body politic and corporate ("Tenant").

Landlord and Tenant agree:

1. BASIC LEASE INFORMATION

1.1. Terms

The following terms as used herein shall have the meanings provided in this Section 1, unless otherwise specifically modified by provisions of this Lease:

a. Landlord's Address For Notice:	AMSTAR Group, LLC 1050 17 th Street, Suite 2300 Denver, CO 80265 Attn: G. Douglas Wiley, II
b. Tenant's Address For Notice:	Board of Supervisors Kenneth Hahn Hall of Administration, Room 383 500 West Temple Street Los Angeles, California 90012 With a copy to: Chief Executive Office Real Estate Division 222 South Hill Street, 3 rd Floor Los Angeles, California 90012 Attention: Director of Real Estate Fax Number: (213) 217-4971
c. Premises:	Approximately 6,053 rentable square feet in two (2) suites on the Second Floor in the building (defined below), as shown on Exhibit A attached hereto.
d. Building:	The Building is located at 21081 Western Ave., Torrance, CA 90504, which is located upon the real property described more particularly in Exhibit B attached hereto (the "Property").

78394

e. Term:	Seven (7) years commencing upon the the "Commencement Date" (defined below); and terminating at midnight on the day before the seventh (7 th) anniversary of the Commencement Date (the "Termination Date"), subject to earlier termination by Tenant by Tenant as provided herein. The phrase "Term of this Lease" or "the Term hereof" as used in this Lease, or words of similar import, shall refer to the initial Term of this Lease together with any additional Extension Term for which an option has been validly exercised.
f. Projected Commencement Date:	N/A
g. Commencement Date:	The latter of June 1, 2015 or upon adoption of this Lease by the County Board of Supervisors
h. Basic Rent:	\$12,408.65 per month (which is based upon a rental rate of \$2.05 per rentable square foot on a full service gross basis).
i. Early Termination Notice Date:	County may cancel anytime at or after the fifth (5 th) anniversary of the lease, upon (120) days written notice to the Landlord.
j. Rentable Square Feet in the Premises:	6,053 rentable square feet
k. Use:	General office use or for any other lawful purposes compatible with other uses in the Building.
l. Initial Departmental Use:	Department of Mental Health
m. Parking Spaces:	24
n. Normal Working Hours:	8:00 a.m. to 6:00 p.m., Monday through Friday and 9:00 a.m. to 1:00 p.m. Saturday, except New Year's Day, President's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, Christmas Day (on

	the days such holidays are generally observed) and such other holidays as are generally recognized by the County of Los Angeles, California.
o. Asbestos/Environmental Report:	A Phase 1 Environmental Site Assessment Report dated July 30, 2004 prepared by National Assessment Corporation, a licensed environmental contractor.
1.2. Defined Terms Relating to Landlord's Work Letter	
a. Base Tenant Improvement Allowance:	N/A
b. Additional Tenant Improvement Allowance:	N/A
c. Additional Tenant Improvement Amortization Rate:	N/A
d. Tenant's Work Letter Representative:	N/A
e. Landlord's Work Letter Representative:	N/A
f. Landlord's Address for Work letter Notice:	N/A
g. Tenant's Address for Work Letter Notice	<p>Board of Supervisors Kenneth Hahn Hall of Administration, Room 383 500 West Temple Street Los Angeles, California 90012</p> <p>With a copy to:</p> <p>Chief Executive Office Real Estate Division 222 South Hill Street, 3rd Floor Los Angeles, California 90012 Attention : Director of Real Estate Fax Number: (213) 217-4971</p>

h. Exhibits to Lease:	Exhibit A- Floor Plan of Premises Exhibit B- Legal Description of Property Exhibit C- Commencement Date Memorandum and Confirmation of Lease Terms Exhibit D- HVAC Standards Exhibit E- Cleaning and Maintenance Exhibit F-Tenant Improvements/ Preparation of Premises
1.3. Landlord's Work Letter: (executed concurrently with this Lease and made a part hereof by this reference):	Landlord's Work Letter- N/A
1.4. Supplemental Lease Documents: (delivered to Landlord and made a part hereof by this reference):	Document I: Subordination, Non- Disturbance and Attornment Agreement Document II: Tenant Estoppel Certificate Document III: Community Business Enterprises Form Document IV: Request for Notice

2. PREMISES

- 2.1. Landlord does hereby lease to Tenant, and Tenant does hereby lease from Landlord, upon the terms and conditions herein set forth, the Premises described in Section 1 and Exhibit A attached hereto.
- 2.2. Tenant currently occupies the Premises, and Tenant accepts the measurement of the Premises set forth in Section 1.1.c above.

3. COMMON AREAS

Tenant may use the following areas ("Common Areas") in common with Landlord and other tenants of the Building: the entrances, lobbies and other public areas of the Building, walkways, landscaped areas, driveways necessary for access to the Premises, parking areas and other common facilities designated by landlord from time to time for common use of all tenants of the Building. Tenant shall comply with all reasonable, non-discriminatory rules and regulations regarding the use of the Common Area established by Landlord.

4. COMMENCEMENT AND EXPIRATION DATES

4.1. Term

The term of this Lease shall commence upon the "Commencement Date" and terminate seven (7) years thereafter.

4.2. Termination Right (Intentionally Omitted)

4.3. Early Possession (Intentionally Omitted)

4.4. Early Termination

Tenant shall have the right to terminate this lease at the Early Termination Notice Date, as defined in Section 1, by giving Landlord not less than 120 days prior written notice executed by the Chief Executive Officer of Tenant.

4.5. Late Commencement Date

In the event that the Commencement Date occurs after June 1, 2015, from the period between June 1, 2015 and the Commencement Date, Tenant shall remain subject to the terms set forth in the County of Los Angeles Chief Administrative Office Lease Agreement dated August 10, 2006 between Landlord and Tenant (the "2006 Lease"), including, but not limited to payment of Base Rent pursuant to the holdover provisions in Section 7 of the 2006 Lease.

5. RENT

5.1 Rent

A monthly installment of the Basic Rent set forth in Section 1.1.h. above, subject to the adjustments described herein below, shall be due and payable without demand on or before the first day of each calendar month succeeding the Commencement Date of the Term, except that Rent for any fractional calendar month at the commencement or at the end of the Term shall be prorated on a daily basis, provided Landlord shall file a payment voucher with the Auditor of the County of Los Angeles (the "County") for the monthly Rent prior to the Commencement Date for the initial month(s) of the Term up to and including June, and annually thereafter in June for the ensuing 12 months.

5.2 Rental Adjustment

For each successive twelve (12) months of the original Term, the monthly rental rate as set forth in Paragraph 1.1 (i) hereof shall be subject to adjustment. From and after the first anniversary date of the first date of the

first full calendar month following the Commencement Date and every twelve (12) months thereafter, the rent shall be adjusted three (3%) percent per year over the monthly base year amount (an increase of \$372.26/month) in accordance with the schedule below:

<u>Year</u>	<u>Rate/Square Foot (FSG)</u>	<u>Monthly Rent</u>
1	\$2.05	\$12,408.65
2	\$2.11	\$12,780.91
3	\$2.17	\$13,153.17
4	\$2.23	\$13,525.43
5	\$2.30	\$13,897.69
6	\$2.36	\$14,269.95
7	\$2.42	\$14,642.21

6. USES

The Premises are to be used only for the uses set forth in Section 1 and for no other business or purpose; however, Landlord shall not unreasonably withhold its consent to change of use.

7. HOLDOVER

If Tenant remains in possession of the Premises or any part thereof after the expiration of the term of this Lease, such occupancy shall be a tenancy which is terminable only upon 90 days written notice from Landlord or 30 days written notice from the Chief Executive Officer of Tenant at the last monthly Basic Rent payable under this lease (as such Basic Rent may be adjusted from time to time in accordance with this Lease) plus all other charges payable under this Lease, and subject to all of the terms, covenants and conditions of this Lease.

8. COMPLIANCE WITH LAW

Tenant shall, at Tenant's expense, comply promptly with all applicable statutes, ordinances, rules, regulations, orders and requirements in effect during the term hereof, regulating the use, occupancy or improvement of the Premises by Tenant. Landlord, not tenant, shall, at its sole cost, at all times cause the Premises and the Building to comply with all applicable statutes, ordinances, rules, regulations, orders and requirements in effect and binding upon Tenant or landlord during the term hereof, including without limitation, the Americans with Disabilities Act, except to the extent such compliance is made necessary as a result of Tenant's particular use of or alterations or improvement to the Premises.

9. DAMAGE OR DESTRUCTION

9.1. Damage

In the event any portion of the Premises is damaged by fire or any other cause rendering the Premises totally or partially inaccessible or unusable and the Premises may be restored to a complete architectural unit of the same value, condition and character that existed immediately prior to such casualty in less than 180 days, then Landlord shall promptly, at landlord's expense, repair such damage and this lease shall continue in full force and effect. If all or any portion of the premises shall be made untenable by fire or other casualty, Landlord shall immediately secure the area to prevent injury to persons and /or vandalism to the improvements. Landlord shall promptly, but in any event within ten days, cause an architect or general contractor selected by landlord to provide landlord and Tenant with a written estimate of the amount of time required to substantially complete the repair and restoration of the Premises and make the Premises tenantable again using standard working methods. The failure to do so shall be a material Default hereunder. Basic Rent shall abate to the extent that the Premises are unusable by Tenant. Tenant waives the provisions of California Civil code Sections 1932(2) and 1933(4) with respect to any partial or total destruction of the Premises.

9.2. Tenant Termination Right

In the event any portion of the Premises is damaged by fire or any other cause rendering the Premises totally or partially inaccessible or unusable and the Premises will not be restored to a complete architectural unit of the same value, condition and character that existed immediately prior to such casualty in less than 180 days for any reason, then Tenant may terminate this Lease by giving written notice within ten days after notice from Landlord specifying such time period of repair; and this lease shall terminate and the Basic Rent shall be abated from the date the Premises became untenable. In the event that Tenant does not elect to terminate this Lease, Landlord shall promptly commence and diligently prosecute to completion the repairs to the Building or Premises, provided insurance proceeds are available to repair the damages.

9.3. Damage In Last Year

Notwithstanding the foregoing provisions, if any material destruction to the Premises occurs during the last year of the Term, either Landlord or Tenant may terminate this Lease by giving notice to the other not more than 30 days after such destruction, in which case:

- a. Landlord shall have no obligation to restore the Premises,
- b. Landlord may retain all insurance proceeds relating to such destruction, and
- c. this Lease shall terminate as of the date which is 30 days after such written notice of termination.

9.4. Default By Landlord

If Landlord is required to repair and restore the Premises as provided for in this Section and Landlord should fail to thereafter pursue said repair and restoration work with reasonable diligence to completion, Tenant may:

- a. Declare a default hereunder or
- b. Perform or cause to be performed the restoration work and deduct the cost thereof plus interest thereon at ten percent (10%) per annum, from the Basic Rent next due as a charge against the Landlord.

10. REPAIRS AND MAINTENANCE

10.1. Landlord Representations

Landlord represents to Tenant that to the actual knowledge of Landlord:

- a. The Premises, the Building and all Common Areas (including electrical, heating, ventilating, and air conditioning ("HVAC"), mechanical, plumbing, gas and fire/life safety systems in the Building and similar building service systems) comply with all current laws, codes, and ordinances; and are in reasonable good working order and condition;
- b. The Building and Premises comply with all covenants, conditions, restrictions and underwriter's requirements; and
- c. The Premises, Building and Common Areas are free of the presence of Hazardous Materials (as hereinafter defined); and
- d. Landlord has not received any notice from any governmental agency that the Building or the Premises are in violation of any law or regulation. Landlord represents, based upon a professional inspection of the Premises and the Building and the Asbestos Report that the Premises and the Building contain no asbestos containing materials (other than as may be reflected in the Asbestos Report).

10.2. Landlord Obligations

- a. Landlord shall keep and maintain in good repair and working order and promptly make repairs to and perform maintenance upon and replace as needed:
 - i. the structural elements of the Building, including without limitation, all permanent exterior and interior walls, floors and ceilings, roof, concealed plumbing, stairways, concealed electrical systems and telephone intra-building network cable;
 - ii. mechanical (including HVAC), electrical, plumbing and fire/life systems serving the Building;
 - iii. the Common Areas;
 - iv. exterior windows of the Building; and
 - v. elevators serving the Building.

- b. Landlord, at its sole cost and expense, shall also perform all maintenance and repairs to the Premises, and shall keep the Premises in good condition and repair, reasonable wear and tear excepted. Landlord's repair obligations include, without limitation, repairs to:
 - i. the floor covering (if such floor covering is carpeting it shall be replaced as needed;
 - ii. interior partitions;
 - iii. doors;
 - iv. the interior side of demising walls (which shall be repainted as needed but not less often than every five years) and
 - v. installation of the initial signage.

10.3. Tenant Obligations

Without limiting the foregoing, Tenant shall, at Tenant's sole expense, be responsible for the cost of repairing any area damaged by Tenant or Tenant's agents, employees, invitees and visitors and the repair of low voltage electronic, phone and data cabling and related equipment that is installed by or for the exclusive benefit of Tenant. All repairs and replacements shall:

- a. be made and performed by contractors or mechanics approved by Tenant, which consent shall not be unreasonably withheld or delayed;
- b. be at least equal in quality, value and utility to the original work or installation; and
- c. be in accordance with all laws.

10.4. Tenant's Right To Repair

If Tenant provides written notice (or oral notice in the event of an emergency such as damage or destruction to or of any portion of the Building structure and/or the Building systems and/or anything that could cause material disruption to Tenant's business) to Landlord of an event or circumstance which requires the action of Landlord with respect to repair and/or maintenance, and landlord fails to provide such action within a reasonable period of time, given the circumstances, after the giving of such notice, but in any event not later than five days after the giving of such notice, then Tenant may proceed to take the required action (provided, however, that no such notice shall be required in the event of an emergency which threatens life or where there is imminent danger to property or a possibility that a failure to take immediate action could cause a material disruption in Tenant's normal and customary business activities). Tenant shall have access to the Building to the extent necessary to perform the work contemplated by this provision. If such action was required under the terms of this Lease to have been taken by Landlord and was not taken by landlord within such period (unless such notice was not required as provided above), and Tenant took such required action, then Tenant shall

be entitled to prompt reimbursement by Landlord of Tenant's reasonable costs and expenses in having taken such action plus interest thereon at ten percent (10%) per annum. If not reimbursed by Landlord within ten days, Tenant shall be entitled to deduct from Basic Rent payable by Tenant under this Lease the amount set forth in its invoice for such work. The remedies provided in this Section are in addition to the remedies provided in Section 14.

11. SERVICES AND UTILITIES

Landlord shall furnish the following services and utilities to the Premises:

11.1. HVAC

Landlord shall furnish heating, ventilation and air conditioning ("HVAC"), during Normal Working Hours in amounts required for the use and occupancy of the Premises for normal office purposes to a standard comparable to other first-class buildings and not less than the standard set forth in Exhibit D attached hereto.

11.2. Electricity

Landlord shall furnish to the Premises the amount of electric current provided for in the Working Drawings (if applicable) but in any event not less than seven watts of electric current (connected load) per square foot of Rentable Square Feet in the Premises, for power and lighting and electric current for HVAC, and Landlord shall provide the existing or new transformers or sub-panels on each floor of the Premises necessary for Tenant to utilize such capacity in the Premises.

11.3. Elevators

Landlord shall furnish freight and passenger elevator services to the Premises during Normal Working Hours. During all other hours, Landlord shall furnish passenger elevator cab service in the elevator bank serving the Premises on an as needed basis, and, by prior arrangement with Landlord's building manager, freight elevator service.

11.4. Water

Landlord shall make available water for normal lavatory and potable water meeting all applicable governmental standards for drinking purposes in the Premises.

11.5. Janitorial

Landlord shall provide janitorial service on five nights per week generally consistent with that furnished in comparable office buildings in the county of

Los Angeles, but not less than the services set forth in the specifications set forth in Exhibit E attached hereto.

11.6. Access

Landlord shall furnish to Tenant's employees and agents access to the Building, Premises and Common Areas on a seven day per week, 24 hour per day basis, subject to compliance with such reasonable security measures as shall from time to time be in effect for the Building.

12. LANDLORD ACCESS

Tenant shall permit Landlord and its agents to enter the Premises upon prior written notice for the purpose of inspecting the Premises for any reasonable purpose. If landlord temporarily closes any portion of the Building or Premises, Basic Rent shall be prorated based upon the percentage of the Premises or Building rendered untenable and not used by Tenant. Landlord shall have the right at any and all time to enter the Premises in the event of an emergency.

13. TENANT DEFAULT

13.1. Default

The occurrence of any one or more of the following events (a "Default") shall constitute a material default and breach of this lease by Tenant:

- a. the failure by Tenant to make any payment of Basic Rent or any other payment required to be made by Tenant hereunder (except to the extent an offset is expressly permitted hereunder), as and when due and if the failure continues for a period of ten days after written notice to Tenant;
- b. the failure by Tenant to observe or perform any of the other covenants, conditions or provisions of this Lease, where such failure shall continue for a period of 30 days after written notice from Landlord specifying in detail the nature of the default; provided, however, if more than 30 days are reasonably required for its cure then Tenant shall not be deemed to be in default if Tenant commences such cure within said 30-day period and thereafter diligently prosecutes such cure to completion.

13.2. Termination

Tenant agrees that if a default should occur and should not be cured within the time periods set forth above, it shall be lawful for Landlord to terminate this lease upon the giving of written notice to Tenant. In addition thereto,

Landlord shall have such other rights or remedies as may be provided by law.

13.3. No Effect On Indemnity

Nothing in this Article shall be deemed to affect either Landlord or Tenant's right to indemnification under any indemnification clause or clauses set forth in this Lease.

14. LANDLORD DEFAULT

14.1. Remedies

In addition to the provisions for Landlord's default provided by Sections 9.4, 10.2, 19 and 20.2, Landlord shall be in default in the performance of any obligation required to be performed by Landlord under this Lease if Landlord has failed to perform such obligation within five days after the giving of written notice with respect thereto by Tenant (which notice shall be, if appropriate, the same notice given under Section 10.4); provided, however, that if the nature of such default is such that the same cannot reasonably be cured within such five day period, Landlord shall not be deemed to be in default if Landlord shall within such period commence such cure and thereafter diligently prosecute the same to completion. If the default by Landlord ("Landlord Default") is of such a nature that it materially and substantially interferes with Tenant's occupancy and use of the Premises and if such Landlord Default is not cured within the foregoing cure period, then Tenant shall have the right, at its option, with or without further notice or demand of any kind to Landlord or any other person, to any one or more of the following described remedies in addition to all other rights and remedies provided at law or in equity or elsewhere herein:

- a. to remedy such default or breach and deduct the costs thereof (including but not limited to attorney' fees) plus interest at the rate of ten (10%) per annum from the installments of Basic Rent next falling due;
- b. to pursue the remedy of specific performance;
- c. to seek money damages from loss arising from Landlord's failure to discharge its obligations under this Lease or offset such damages against Basic Rent next coming due; and/or
- d. to terminate this lease.

14.2. Waiver

Nothing herein contained shall relieve Landlord from its duty to effect the repair, replacement, correction or maintenance required to restore any

affected services, or to perform any other obligations to the standard prescribed in this Lease, nor shall this Section be construed to obligate Tenant to undertake any such work.

14.3. Emergency

Notwithstanding the foregoing cure period, Tenant may cure any default without notice where the failure promptly to cure such default would, in the reasonable opinion of Tenant, create or allow to persist an emergency condition or materially and adversely affect the operation of tenant's business in the Premises.

15. ASSIGNMENT AND SUBLETTING

Tenant may assign, mortgage, encumber or otherwise transfer this lease or sublet the whole or any part of the Premises without first obtaining Landlord's prior consent: provided, however, no such assignment, subletting or other transfer shall relieve Tenant of any liability under this Lease unless Landlord has given its written consent thereto, which Landlord shall not unreasonably withhold if the assignee has a financial condition which is reasonably sufficient for it to be responsible for all future obligations under this Lease.

16. ALTERATIONS AND ADDITIONS

16.1. Landlord Consent

Tenant shall not make any structural alterations, improvements, additions, or utility installations in or about the Premises (collectively, "Alterations") without first obtaining the written consent of Landlord, which consent shall not be unreasonably withheld, conditioned or delayed. However, Landlord's consent shall not be required for any Alteration that satisfies all of the following criteria:

- a. Complies with all Laws;
- b. Is not visible from the exterior of the Premises or Building;
- c. Will not materially affect the systems or structure of the Building; and
- d. Does not unreasonably interfere with the normal and customary business office operations of other tenants in the Building.

If Landlord fails to respond in writing within 30 days of such request, Landlord shall be deemed to approve the Alterations.

16.2. End of Term

Any Alterations not removed by Tenant shall become the property of Landlord and remain upon and be surrendered with the Premises at the expiration of the Term.

17. CONDEMNATION

17.1. Controlling Terms

If during the Term, or during the period of time between the execution of this Lease and the Commencement Date, there is any taking of all or any part of the Premises or any interest in this Lease by Condemnation (as defined below), this Section shall determine the rights and obligations of Tenant and Landlord. "Condemnation" shall mean the exercise of any governmental power to take title to any portion of the Premises, whether by legal proceedings or otherwise, by a Condemnor, either under threat of a Condemnor's exercise of such power or while legal proceedings are pending for the exercise of such power. "Condemnor" shall mean any public or quasi-public authority, or private corporation or individual, having the power of Condemnation.

17.2. Total Taking

If the Premises are totally taken by Condemnation, this Lease shall terminate on the date the Condemnor has a right to possession of the Premises (the "Date of Taking").

17.3. Partial Taking

If any portion, but not all, of the Premises is taken by condemnation, this Lease shall remain in effect, except that Tenant may elect to terminate this Lease if, in Tenant's reasonable judgment, the remaining portion of the Premises (including the space available for parking) is rendered unsuitable for Tenant's continued use of the Premises. If Tenant elects to so terminate this Lease, Tenant must exercise its right to terminate by giving notice to Landlord within 30 days after the date that the nature and the extent of the condemnation have been determined (the "Determination Date"), which notice shall set forth the date of termination. Such termination date shall not be earlier than 30 days or later than 90 days after Tenant has notified Landlord of its election to terminate; except that this Lease shall terminate on the Date of Taking if the Date of taking falls on a date before the date of termination as designated by Tenant. If Tenant does not so notify Landlord within 30 days after the Determination Date, all obligations of Tenant under this lease shall remain in effect, except that Basic Rent shall be equitably abated.

17.4. Restoration

Notwithstanding the preceding paragraph, if, within 30 days after the Determination Date, Landlord notifies Tenant that Landlord at its cost will add to the remaining Premises so that the area of the Premises and the space available for parking, will be substantially the same after the Date of

Taking as they were before the Date of Taking, and Landlord commences the restoration promptly and, subject to reasonable allowance for delays that are not caused by Landlord, completed it within 90 days after Landlord so notifies Tenant, this Lease shall continue in effect. All obligations of Tenant under this Lease shall remain in effect, except that Basic Rent shall be equitably abated or reduced during the period from the Date of Taking until the completion of such restoration.

17.5. Award

The Award (as defined below) shall be divided between Landlord and Tenant as their respective interests may appear. "Award" shall mean all compensation, sums or anything of value awarded, paid or received on a total or partial Condemnation of the Premises.

17.6. Waiver of Statute

Landlord and Tenant hereby waive the provision of California Code of Civil Procedure section 1265.130 allowing Landlord or Tenant to petition the Superior Court to terminate this Lease in the event of a partial taking of the Premises.

18. INDEMNIFICATION

18.1. Tenant's Indemnity

Tenant shall indemnify, defend and hold Landlord harmless from and against all loss, cost and expense, including attorney's fees, arising from any injury or damage to any person or property, occurring in or about the Building or Premises as a result of any negligent act, omission or willful misconduct of Tenant or its employees, or arising from any breach or default under this Lease by Tenant. The foregoing provisions shall not be construed to make Tenant responsible for loss, damage, liability or expense resulting from injuries to third parties caused by the negligence or willful misconduct of Landlord, or its officers, contractors licensees, agents, employees or invitees. Nothing in this Lease shall be construed to waive, limit, or supersede any of Tenant's rights or immunities under the California Labor Code, including but not limited to a waiver pursuant to section 3864 of the Labor Code.

18.2. Landlord's Indemnity

Landlord shall indemnify, defend and hold Tenant harmless from and against all loss, cost and expense, including attorneys' fees, arising from any injury or damage to any person or property, occurring in or about the Building or Premises as a result of any negligent act, omission or willful misconduct of Landlord, or its officers, contractors, licensees, agents, employees, guests, or visitors, or arising from any breach or default under

this lease by Landlord. The foregoing provisions shall not be construed to make Landlord responsible for loss, damage, liability or expense resulting from injuries to third parties caused by the negligence or willful misconduct of tenant, or its officers, contractors, licensees, agents, employees or invitees.

19. INSURANCE

19.1. Landlord's insurance

During the term of this lease, Landlord shall maintain the following insurance:

- a. Commercial property insurance which shall:
 - i. cover damage to Landlord's property, including improvements and betterments, from perils covered by the causes-of-loss special form (ISO form CP 10 30), and include ordinance or law coverage (and coverage against acts of terrorism to the extent such coverage is reasonably available and priced at commercially reasonable rates) and
 - ii be written for full replacement cost of the property, with a deductible of no greater than 5% of the property value.
 - iii. Landlord shall carry insurance on any furniture and furnishings which will become the property of Tenant at the expiration of the Term and on all modular furniture installed in the Premises.

Insurance proceeds shall be payable to landlord and Tenant as their interests may appear and be utilized for repair and restoration of the Premises.

- b. General liability insurance (written on ISO policy form CG 00 01 or its equivalent) with limits of not less than the following:
 - i. per occurrence and general aggregate amount of \$5,000,000;
 - ii products/completed operations aggregate of \$2,000,000 and
 - iii. personal and advertising injury of \$1,000,000.
- c. Failure by Landlord to maintain the insurance required by this Section and deliver evidence thereof as required by this Lease or to use any insurance proceeds to timely repair and restore the Premises shall constitute a material breach of this Lease.

19.2. Insurance Requirements

All insurance policies required to be maintained by Landlord under this Lease shall be issued by insurance companies which have a Best's Rating of "AVII" or better and which are qualified to do business in the State of

California. All liability and property damage and other casualty policies of Tenant shall be written as primary policies, not contributing with, and not in excess of coverage which Landlord may carry.

19.3. Certificates

Landlord shall deliver to Tenant on the Commencement Date of this lease and thereafter at least 15 days prior to expiration of any insurance required to be carried hereunder, certificates of insurance evidencing this coverage with limits not less than those specified above. Certificates must document that each party has named the other as an additional insured (or equivalent) on its general liability and property insurance policy, and that Tenant has been named a loss payee on Landlord's commercial property insurance policy, as required. Further, all certificates shall expressly provide that no less than 30 days' prior written notice shall be given to Tenant in the event of material change to , expiration or cancellation of the coverages or policies evidenced by the certificates.

19.4. Waiver of Subrogation

Landlord and Tenant each hereby waive their rights of subrogation against one another to the extent it is covered by the property insurance policies required to be carried hereunder. Landlord shall cause its insurance carriers to consent to the foregoing waiver of rights of subrogation against Tenant.

20. PARKING

20.1. Tenant's Rights

Tenant shall have the right to the number of parking stalls set forth in Section 1 without charge for the Term of this Lease. No tandem parking shall be permitted and Tenant shall be entitled to full in/out privileges. Tenant's parking rights shall be subject to reasonable parking rules and regulations adopted by Landlord from time to time, provided that such procedures shall be uniformly applied to all tenants. Tenant acknowledges that all the parking spaces are not for the exclusive use of Tenant, rather, all such parking space are to be used on a non-exclusive, first-come, first-served basis by Tenant and other tenants, occupants, licensees, invitees and permittees of the Building.

20.2. Remedies

Landlord acknowledges that it is a material term of this Lease that Tenant receive all of the Parking Spaces to which it is entitled under this Lease for the entire Term of this Lease and that it would be impracticable and extremely difficult to fix the actual damages for a breach of such provisions.

It is therefore agreed that if, for any reason whatsoever, a material number of the Parking Spaces required above are not available to Tenant, (in addition to the rights given to Tenant under Section 14 and Sections 9 and 17 in the event of casualty or condemnation) Tenant may terminate this Lease by giving written notice of such termination to Landlord, which notice shall be effective 30 days thereafter or (b) deduct from the Basic Rent thereafter accruing hereunder an amount each month equal to the Basic Rent times the percentage of Parking Spaces not so provided times 1.5 but such deduction from Basic Rent shall not be less than ten percent (10%) no more than one hundred percent (100%)

21. ENVIRONMENTAL MATTERS

21.1. Hazardous Materials

Tenant shall not cause nor permit, nor allow any of Tenant's employees agents, customers, visitors, invitees, licensee, contractor, assignees or subtenants to cause or permit, any Hazardous Materials to be brought upon stored, manufactured, generated, blended, handled, recycled, treated, disposed or used on, under or about the Premises, the Building or the Common Areas, except for routine office and janitorial supplies in usual and customary quantities stored, used and disposed of in accordance with all applicable Environmental Laws. As used herein, "Hazardous Materials" means any chemical, substance, material, controlled substance, object, condition, waste, living organism or combination thereof, whether solid, semi solid, liquid or gaseous, which is or may be hazardous to human health or safety or to the environment due to its radioactivity, ignitability, corrosivity, reactivity, explosivity, toxicity, carcinogenicity, mutagenicity, phytotoxicity, infectiousness or other harmful or potentially harmful properties or effects, including, without limitation, molds, toxic levels of bacteria, tobacco smoke within the Premises, petroleum and petroleum products, asbestos, radon, polychlorinated biphenyls (PCBs), refrigerants (including those substances defined in the Environmental Protection Agency's "Refrigerant Recycling Rule," as amended from time to time) and all of those chemicals, substances, materials, controlled substances, objects, conditions, wastes, living organisms or combinations thereof which are now or become in the future listed, defined or regulated in any manner by any Environmental Law based upon, directly or indirectly, such properties or effects. As used herein, "Environmental laws" means any and all federal, state or local environmental, health and /or safety-related laws, regulations, standard, decisions of courts, ordinances, rules, codes, orders, decrees, directives, guidelines, permits or permit conditions, currently existing and as amended, enacted, issued or adopted in the future which are or become applicable to Tenant, the Premises, the Building or the Common Areas.

21.2. Landlord Indemnity

Landlord shall indemnify, protect, defend (by counsel acceptable to Tenant) and hold harmless Tenant from and against any and all claims, judgments, causes of action, damage, penalties, fine, taxes, costs, liabilities, losses and expenses arising at any time during or after the Term as a result (directly or indirectly) of or in connection with the presence of Hazardous Materials on, under or about the Premises, Building or Common Areas or other violation of laws relating to Hazardous Materials other than caused by Tenant. This indemnity shall include, without limitation, the cost of any required or necessary repair, cleanup or detoxification, and the preparation and implementation of any closure, monitoring or other required plans, as such action is required by local or state laws or any governmental agency. Landlord shall promptly deliver to Tenant a copy of any notice received from any governmental agency during the Term of this Lease concerning the presence of Hazardous Materials in the building or the Premises. Landlord's obligations pursuant to the foregoing indemnity shall survive the expiration or termination of this Lease. A default by Landlord under this Section shall constitute a material default under this Lease.

22. ESTOPPEL CERTIFICATES

Tenant shall, within 15 days after written request of Landlord, execute, acknowledge and deliver to Landlord or its designee a written statement in the form of document II in the supplemental Lease Documents delivered to Landlord concurrently herewith (properly completed) but shall have no other obligation to deliver any other form of estoppel certificate. It is intended that any such statement delivered pursuant to this Section may be relied upon by a prospective purchaser of Landlord's interest or holder of any mortgage upon Landlord's interest in the Premises.

23. TENANT IMPROVEMENTS

Tenant acknowledges that it is already in possession of the Premises, and that Landlord shall endeavor to perform the work listed under **Exhibit F** attached hereto and incorporated herein, within three (3) months of the Commencement Date ("Preparation of Premises Work"). The Preparation of the Premises Work will be provided by Landlord at its sole cost in lieu of a specified dollar amount, commonly referred to as a Base Tenant Improvement allowance.

24. LIENS

Tenant shall keep its interest in this lease and the Premises free from any liens arising out of any work performed or material ordered or obligations incurred by Tenant. Landlord shall keep its interest in this Lease and the Premises free from any liens which would impair the interest of Tenant hereunder and hereby indemnifies and holds Tenant harmless from any liability or loss from any such lien.

25. SUBORDINATION AND MORTGAGES

25.1. Subordination And Non-Disturbance

Tenant agrees, at Landlord's option, to subordinate this Lease to the lien of any mortgages or deeds of trust now or hereafter in force against the Building; provided however, Tenant's obligation to subordinate this Lease is expressly conditioned upon Tenant receiving a written agreement in the form of Document I in the Supplemental Lease Documents delivered to Landlord concurrently herewith and provided further that no such subordination shall affect any option to extend the Term of this Lease, right of first offer to lease additional premises, option to purchase or right of first offer to purchase the Property which may be included herein.

25.2. Existing Deeds of Trust

The beneficiary under any existing deed of trust affecting the Building shall provide a written agreement to Tenant in the form of Document I in the Supplemental Lease Documents delivered to Landlord concurrently herewith within 30 days after the execution of this Lease.

25.3. Request for Notice

Landlord acknowledges that Tenant intends to record a Request for Notice with respect to any mortgages or deeds of trust affecting the Property in the form of Document V in the Supplemental Lease Documents delivered to Landlord concurrently herewith.

25.4. Notice of Default

If any mortgagee or beneficiary under a deed of trust affecting the Property gives written notice of its name and address to Tenant by registered mail requesting any such notice with reference to this Section, Tenant agrees to use its best efforts (but without liability for failure to do so) to give such mortgagee a copy of any Notice of Default served upon Landlord hereunder which could permit Tenant to terminate this Lease and an additional ten days within which to cure such Default.

26. SURRENDER OF POSSESSION

Subject to casualty, at the expiration of the Term of this Lease, whether by lapse of time or otherwise, Tenant shall promptly and peacefully surrender the Premises to Landlord in a "broom-clean" condition. Tenant may (but shall not be required to) remove, at its own expense, all fixtures, equipment and all other personal property placed or installed in or upon the Premises by Tenant, or under its authority (including any modular furniture).

27. SIGNAGE

Tenant shall be permitted to install at the Premises entry reasonably appropriate building standard signs that conform with any and all applicable laws and ordinances.

28. QUIET ENJOYMENT

So long as Tenant is not in default hereunder, Tenant shall have the right to the quiet and peaceful enjoyment and possession of the Premises and the Common Areas during the Term of this Lease, subject to the terms and conditions of this Lease.

29. GENERAL

29.1. Headings

Titles to Sections of this Lease are not a part of this lease and shall have no effect upon the construction or interpretation of any part hereof.

29.2. Successors and Assigns

All of the covenants, agreements, terms and conditions contained in this lease shall inure to and be binding upon the landlord and Tenant and their respective successors and assigns.

29.3. Brokers

Landlord and Tenant each represent and warrant to each other that it has not engaged any broker, finder or other person who would be entitled to any commission or fees in respect of the negotiation, execution or delivery of this Lease other than Colliers International or as disclosed to the other in writing and shall indemnify and hold harmless each other against any loss, cost, liability or expense incurred by the other party as a result of any claim asserted by any such broker, finder or other person on the basis of any arrangements or agreements made or alleged to have been made in variance with this representation.

29.4. Entire Agreement

This Lease (and the Landlord's Work Letter and supplemental Lease Documents) is the final and complete expression of Landlord and Tenant relating in any manner to the leasing, use and occupancy of the Premises, to Tenant's use of the Building and other matters set forth in this Lease. No prior agreements or understanding pertaining to the same shall be valid or of any force or effect and the covenants and agreements of this lease shall not be altered, modified or added to except in writing signed by both Landlord and Tenant.

29.5. Severability

Any provision of this Lease which shall prove to be invalid, void or illegal shall in no way affect, impair or invalidate any other provision hereof and the remaining provisions hereof shall nevertheless remain in full force and effect.

29.6. Notices

All notices and communications to any party hereunder shall be in writing and shall be deemed properly given if delivered personally, sent by registered or certified mail, postage prepaid, or by a recognized overnight commercial messenger providing proof of delivery, facsimile (electronically confirmed) to Landlord's Address for Notice and Tenant's Address for Notice as set forth in Section 1. Any notice so given shall be deemed to have been given as of the date of delivery (whether accepted or refused) established by U.S. Post Office return receipt or the overnight carrier's proof of delivery, as the case may be. Any such notice not so given shall be deemed given upon receipt to the same by the party to whom the same is to be given.

29.7. Governing Law and Forum

This Lease shall be governed by and construed in accordance with the internal laws of the State of California. Any litigation with respect to this Lease shall be conducted in the County of Los Angeles, State of California.

29.8. Waivers

No waiver by Landlord or Tenant of any provision hereof shall be deemed a waiver of any other provision hereof or of any subsequent breach by landlord or Tenant of the same or any other provision. Landlord's or Tenant's consent to or approval of any act shall not be deemed to render unnecessary the obtaining of Landlord's or Tenant's consent to or approval of any subsequent act by Landlord or Tenant.

29.9. Time of Essence

Time is of the essence for the performance of all of the obligations specified hereunder.

29.10. Consent

Whenever any consent is required by landlord or Tenant hereunder, such consent shall not be unreasonably withheld, conditioned or delayed and, unless otherwise specifically provided herein, shall be deemed granted if not refused within ten (10) days after written request is made therefore, together with all necessary information.

29.11. Community Business Enterprises

Landlord shall complete and deliver to Tenant concurrently with the execution hereof a community Business Enterprises form set forth as document III in the supplemental lease documents delivered to Landlord concurrently herewith.

30. AUTHORITY

Only the Board of Supervisors has the authority, by formally approving and/or executing this Lease, to bind the county to the terms included herein. Each individual executing this Lease on behalf of Tenant represents and warrants that he or she is duly authorized to execute and deliver this lease on behalf of Tenant, and that this Lease is binding upon Tenant in accordance with its terms. Landlord understands that no material terms of this lease may be altered or deleted, nor may any new material terms be added to this lease, without the express written approval of the Board of Supervisors, either through an amendment to the lease or by other formal board action. No County officer, employee, agent or independent contractor has any authority to alter, add or delete the material terms of this Lease and landlord may not rely upon any representations to the contrary. This limitation of authority applies to all material terms of the lease including, without limitation, any monetary ceiling established for Tenant Improvements or other project costs of landlord which are subject to reimbursement by County. County shall not reimburse Landlord for any expenses which exceed this ceiling. Notwithstanding the foregoing, the Chief Executive Officer of the County or its delegee (the "Chief Executive Officer") may take any administrative act on behalf of Tenant hereunder which does not have the effect of increasing Basic Rent or other financial obligations of Tenant under this lease, including without limitation, granting any approvals, terminating this lease in the manner provided herein by an Early Termination Notice or otherwise, signing estoppel certificates, signing the Commencement Date memorandum and Confirmation of Lease Terms or subordinating this Lease. Each individual executing this Lease on behalf of landlord represents and warrants that he or she is duly authorized to execute and deliver this Lease on behalf of Landlord, and that this Lease is binding upon Landlord in accordance with its terms.

31. ACKNOWLEDGEMENT BY LANDLORD

Landlord acknowledges that it is aware of the following provisions:

31.1. Consideration of GAIN Program Participants

Should Landlord require additional or replacement personnel after the effective date of this Lease, landlord shall give consideration for any such

employment, openings to participants in the County Department of Public Social Services' Greater Avenues for Independence ("GAIN") Program who meet Landlord's minimum qualifications for the open position. The County will refer GAIN participants by job category to Landlord.

31.2. Solicitation of Consideration

It is improper for any County officer employee or agent to solicit consideration in any form from a landlord with the implication, suggestion or statement that the landlord's provision of the consideration may secure more favorable treatment for the landlord in the award of a lease or that landlord's failure to provide such consideration may negatively affect the County's consideration of the landlord's offer to lease. A landlord shall not offer or give, either directly or through an intermediary, consideration in any form to a County officer, employee or agent for the purpose of securing favorable treatment with respect to the award of a lease. Landlord shall immediately report any attempt by a County officer, employee or agent to solicit such improper consideration upon learning of such attempt and if the Landlord suspects fraud or wrongdoing by a County employee, Landlord shall report it to the County Fraud hotline at ((800) 544-6861 or www.lacountyfraud.org. You may remain anonymous.

31.3. Landlord Assignment

- a. Landlord may assign, transfer, mortgage, hypothecate or encumber Landlord's right, title and interest in and to this Lease or any portion thereof (including the right to receive rental payments but excluding its duties and obligations hereunder), and Landlord may execute any and all instruments providing for the payment of Basic Rent directly to any assignee or transferee, but only if the conditions set forth in the Section are met.
- b. Any document or agreement purporting to assign, transfer, mortgage, hypothecate or encumber Landlord's right, title and interest in and to this Lease or any portion thereof, is hereinafter referred to as a "Security Agreement." Any security Agreement which is executed without full compliance with the requirements of this Section shall be void.
- c. Each assignee or transferee under the Security Agreement shall certify and agree in writing that such assignee or transferee has read and is familiar with the requirements of Sections 5950-5955 of California Government code, which prohibits the offer or sale of any security constituting a fractional interest in this Lease or any portion thereof, with the prior written consent of the County. Notwithstanding the foregoing, the County hereby acknowledges and agrees that Landlord shall have the right to encumber the Property with CMBS (collateralized mortgage backed securities) financing or other traditional real estate financing other than bond and certificate of participation financing.

- d. Violation by Landlord of the provisions of Section 5951 of the California Government Code will constitute a material breach of this Lease, upon which the County may impose damages in an amount equal to the greater of \$500,000 or 10% of the aggregate principal portion of all rental payments payable by the county during the entire Term of this Lease, it being expressly agreed that the aforesaid amount shall be imposed as liquidated damages, and not as a forfeiture or penalty. It is further specifically agreed that the aforesaid amount is presumed to be the amount of damages sustained by reason of any such violation, because from the circumstances and nature of the violation it would be impracticable and extremely difficult to fix actual damages. In addition, the County may exercise or pursue and other right or remedy it may have under this Lease or applicable law.
- e. Landlord shall give the County notice and a copy of each Security Agreement and any other instrument relating thereto (including, but not limited to, instruments providing for the payment of Basic Tent directly to an assignee or transferee) at least two weeks prior to the effective date thereof.
- f. Landlord shall not furnish any information concerning County or the subject matter of this lease (including, but not limited to, offering memoranda, financial statements, economic and demographic information, and legal opinions rendered by the office of counsel for the County) to any person or entity, except with County's prior written consent. Landlord shall indemnify, defend and hold county and its officers, agents and employee harmless from and against all claims and liability alleged to arise from the inaccuracy or incompleteness of any information furnished by Landlord in violation of this Section.
- g. The provisions of this Section shall be binding upon and applicable to the parties hereto and their respective successors and assigns. Whenever in this Section Landlord is referred to, such reference shall be deemed to include Landlord's successors or assigns, and all covenants and agreements by or on behalf of Landlord herein shall bind and apply to Landlord's successors and assigns whether so expressed or not.

IN WITNESS WHEREOF this Lease has been executed the day and year first above set forth.

LANDLORD:

Amstar-7 LLC, a Colorado limited liability company

By: [Signature]
Name: G. Douglas Wiley, II
Title: manager

TENANT:

COUNTY OF LOS ANGELES
a body politic and corporate



By: [Signature: Mike Antonovich]
Michael D. Antonovich
Mayor, Board of Supervisors

ATTEST:

PATRICK OGAWA
Acting Executive Officer-Clerk
of the Board of Supervisors

I hereby certify that pursuant to
~~Section~~ 25103 of the Government Code,
~~delivery~~ of this document has been made.

By: [Signature: Lachelle Smithman]
Deputy

PATRICK OGAWA
Acting Executive Officer
Clerk of the Board of Supervisors

By: [Signature: Lachelle Smithman]
Deputy

APPROVED AS TO FORM:

MARY C. WICKHAM
Interim County Counsel

By: [Signature]
Deputy

ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

18

AUG 4 2015

[Signature: Patrick Ogawa]
PATRICK OGAWA
ACTING EXECUTIVE OFFICER

SCALE: 1/8"=1'-0"



EXHIBIT A

FLOOR PLAN OF PREMISES

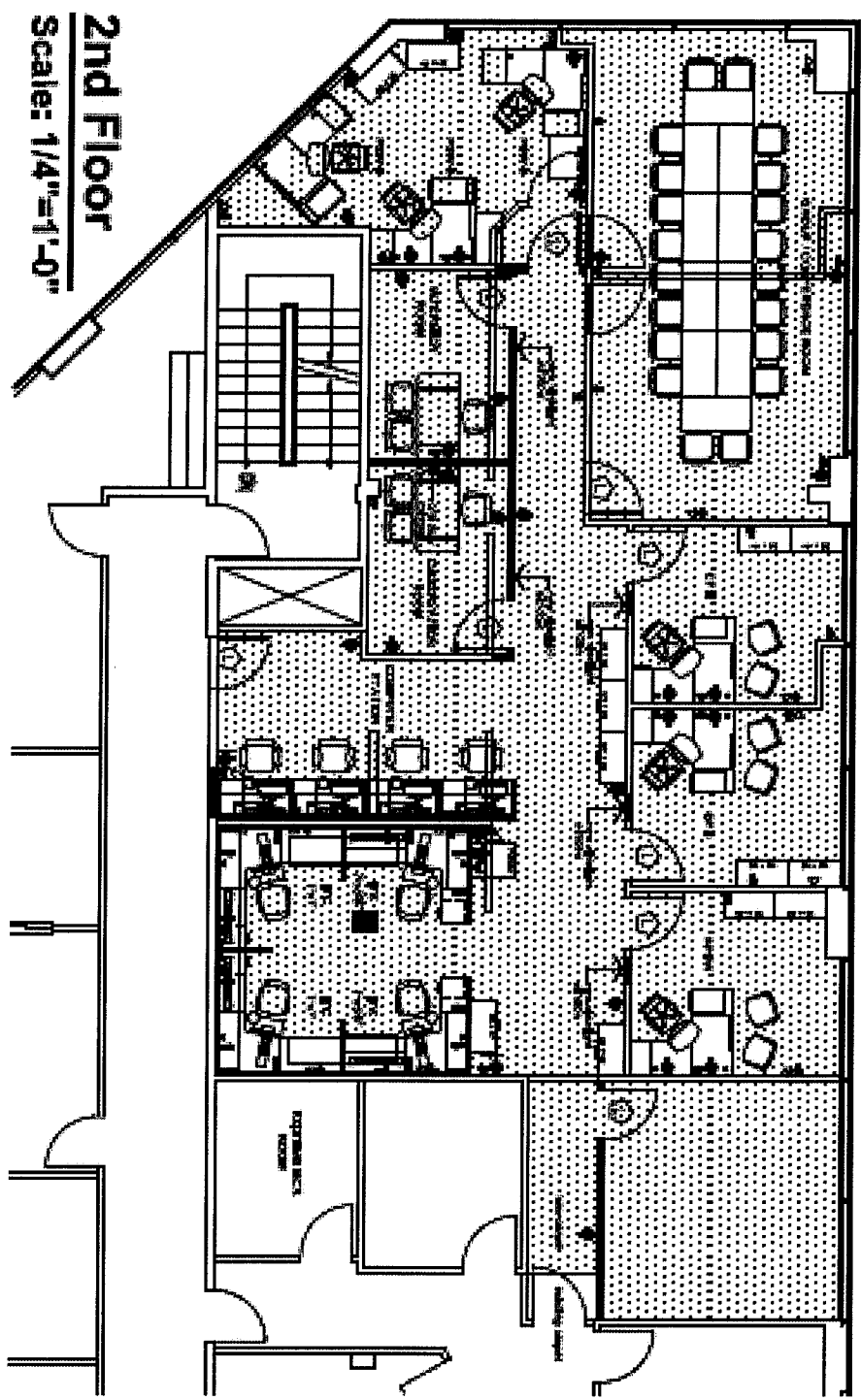


EXHIBIT A
FLOOR PLAN OF PREMISES

EXHIBIT B

LEGAL DESCRIPTION OF PROPERTY

PARCELS 1, 2 AND 3, AS SHOWN ON THAT CERTAIN PARCEL MAP NO. 68833, FILED IN THE OFFICE OF THE RECORDER OF THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, ON DECEMBER 28, 2011, IN BOOK 371 OF MAPS, PAGE(S) 93 THROUGH 95.

APN:

7352-017-018 (Affects Parcel 1);
7352-017-019 (Affects Parcel 2) and
7352-017-020 (Affects Parcel 3)

EXHIBIT B

LEGAL DESCRIPTION OF PREMISES

EXHIBIT C

COMMENCEMENT DATE MEMORANDUM AND CONFIRMATION OF LEASE TERMS

Reference is made to that certain lease ("Lease") dated _____, 20__, between County of Los Angeles, a body politic and corporate ("Tenant"), and _____, a _____ ("Landlord"), whereby Landlord leased to Tenant and Tenant leased from Landlord certain premises in the building located at _____ ("Premises"),

Landlord and Tenant hereby acknowledge as follow:

- 1) Landlord delivered possession of the Premises to Tenant in a Substantially Complete condition on _____ ("Possession Date").
- 2) Tenant has accepted possession of the Premises and now occupies the same;
- 3) The Lease commenced on _____ ("Commencement Date").
- 4) The Premises contain _____ rentable square feet of space; and
- 5) Base Rent per month is: _____.

IN WITNESS WHEREOF, this memorandum is executed this __ day of _____, 20_____.

Tenant: COUNTY OF LOS ANGELES a body politic and corporate By: _____ Name _____ Its _____	Landlord: _____ a _____ By: _____ Name _____ Its _____
--	---

EXHIBIT C
COMMENCEMENT DATE MEMORANDUM
AND CONFIRMATION OF LEASE TERMS

EXHIBIT D

HEATING, VENTILATION AND AIR CONDITIONING

Landlord shall supply cooling, ventilating and heating with capacity to produce the following results effective during Normal Working Hours established by the Lease and within tolerances normal in comparable office buildings; maintenance of inside space conditions of not greater than 78 degrees Fahrenheit when the outside air temperature is not more than 93 degrees Fahrenheit dry bulb and 70 degrees Fahrenheit we bulb, and not less than 70 degrees Fahrenheit when the outside air temperature is not lower than 42 degrees Fahrenheit dry bulb. Interior space is designated at a rate of one zone for approximately each 1,000 square feet and one diffuser for each 200 square feet of usable square footage within the Premises. If energy requirements prohibit Landlord from complying with these requirements, Tenant shall not unreasonably withhold its consent to temporary waivers or modifications.

EXHIBIT D
HEATING, VENTILATION
AND AIR CONDITIONING

EXHIBIT E

CLEANING AND
MAINTENANCE SCHEDULE

1. DAILY (Monday through Friday)

- A. Carpets vacuumed.
- B. Composition floors dust-mopped.
- C. Desks, desk accessories and office furniture dusted. Papers and folders left on desk not to be moved.
- D. Waste baskets, other trash receptacles emptied.
- E. Chairs and waste baskets returned to proper position.
- F. Fingerprints removed from glass doors and partitions.
- G. Drinking fountains cleaned, sanitized and polished.
- H. Lavatories, toilets and toilet rooms cleaned and mopped. Toilet supplies replenished.
- I. Bulb and tube replacements, as required.
- J. Floors washed as needed.

2. WEEKLY

- A. Low-reach areas, chair rungs, baseboards and insides of door jambs dusted.
- B. Window sills, ledges and wood paneling and molding dusted.

3. MONTHLY

- A. Floors washed and waxed in uncarpeted office area.
- B. High-reach areas, door frames and tops of partitions dusted.
- C. Wall vents and ceiling vents vacuumed.
- D. Carpet professionally spot cleaned as required to remove stains.
- E. HVAC chiller water checked for bacteria, water conditioned as necessary.

4. QUARTERLY

- A. Light fixtures cleaned and dusted, but not less frequently than quarterly.
- B. Mini-blinds cleaned as required.
- C. HVAC units serviced for preventative maintenance purposes, all filters changed.

5. SEMI-ANNUALLY

- A. Windows washed as required inside and outside but not less frequently than twice annually.

EXHIBIT E (Continued)

CLEANING AND
MAINTENANCE SCHEDULE

6. ANNUALLY

- A. Bathroom and any other ceramic tile surfaces professionally cleaned using a hand scrub process. All grout and porous surfaces resealed with a professional grade sealant.

7. AS NEEDED

- A. Premises and the sidewalks, driveways, parking areas and all means of access and egress for the Premises should be maintained in good repair, and in clean and safe condition at all times.
- B. All lawns, shrubbery and foliage on the grounds of the Premises should be maintained in good condition and neat in appearance. Grass and shrubbery must be replanted as needed to maintain the grounds in good appearance and condition.
- C. Carpets to be cleaned using a non-detergent, low moisture, soil encapsulation system as recommended by the carpet manufacturer. The following schedule will be maintained for carpet cleaning:
 - i. heavy traffic areas as needed;
 - ii. moderate traffic areas cleaned as needed; and
 - iii. clean light traffic areas as needed.
- D. Landlord agrees that bonnet cleaning is not an acceptable method of cleaning carpets.

8. GENERAL

Landlord shall, upon request of Tenant, produce written service contracts as evidence of compliance with the terms of this Cleaning and Maintenance Schedule.

EXHIBIT F

TENANT IMPROVEMENTS PREPARATION OF PREMISES

Landlord, at Landlord's sole cost and expense, shall perform the following Tenant Improvements in the Premises, utilizing Tenant's current standard grade quality, make, style, design, colors, materials and construction methods for the Building, as applicable.

1. Paint:

- A. Paint existing interior spaces (walls, doors, and trim) where needed, in particular: clinic rooms 203 (family room), 207 (playroom), 208, 209, 210, 213, the kitchen, chart room and common hall including clerical area.
- B. Provide one base color, and four accent colors.
- C. Specify Dunn Edwards, or approved equal.
- D. Final selection to be approved by County space planner.
- E. Walls that are behind cubicles, filing cabinets or millwork need not be painted. Tenant will remove all items from walls prior to painting including memos, tape, pictures and personal property, but Landlord will remove and reinstall bulletin boards, white boards, and similar wall items.

2. Carpet:

- A. Replace carpet and baseboard in the reception/Lobby area and hallway with carpet tile. Tenant to select building standard carpet.
- B. Clean and spot treat existing carpet as needed.

3. Chair Rails

Provide chair rails along 3 walls in room 203 per Tenant specifications.

4. Corner Guards

Add corner guards after painting in areas as needed. Match with existing corner guards in the premises.

5. Front Door close -replace

6. Intentionally Omitted.

7. Miscellaneous Other: The following ADA improvements:

- A. Primary Entrances: Replace doormat with one that is anchored to the floor.
- B. Accessible Parking Spaces: Place signs that read "Minimum Fine \$250" at each accessible parking space.
- C. Parking Lot Entrance Signage: Provide information on point of contact and telephone number where a towed vehicle can be reclaimed, and replace the word "handicapped" with either "accessible" or "disabled".
- D. Doors: Reduce the force for pushing or pulling open the doors to no more than 5 lbs. (or if the doors are fire rated, reduce the force to no more than 15 lbs.).
- E. Fire Extinguisher: Perform one of the following: relocate fire extinguisher box to an area that is not in the path of travel to the exit door; add a detachable element

TENANT IMPROVEMENTS
PREPARATION OF PREMISES

under the box; or replace the current box with one that protrudes less than 4" into the path of travel.

- F. Sanitary facilities: Retrofit the flush control mechanism in the second female water closet to automatic and or relocate the flush valve control to the wide side of the toilet.
- G. Sanitary facilities: Provide and install a loop or u-shaped hardware at the men's and women's accessible restroom.
- H. Sanitary facility accessories: Provide and install insulation at the hot water and drain pipes under lavatory.
- I. Controls and operating mechanisms: To the extent required, lower the towel dispenser in the in the men's second floor restroom to 40" or lower above the floor.

Landlord and Tenant hereby agree to cooperate with the other party and exercise reasonable, good faith efforts to coordinate the timing and planning of the Tenant Improvement work. Landlord agrees to perform any disruptive interior related improvements before 7:00 a.m. or after 5:00 p.m. Monday through Friday or on the weekends, or a combination thereof, so as not to disrupt ongoing business operations of the Tenant.

SUPPLEMENTAL LEASE DOCUMENTS

For

**COUNTY OF LOS ANGELES
CHIEF EXECUTIVE OFFICE
LEASE AND AGREEMENT**

DEPARTMENT OF MENTAL HEALTH, as Tenant

LANDLORD: AMSTAR 7, LLC, a Colorado limited liability corporation

21081 South Western Avenue

Torrance , CA

Document I - Subordination, Nondisturbance and Attornment Agreement

Document II - Tenant Estoppel Agreement

Document III - Community Business Enterprises Form

Document IV - Memorandum of Lease

Document V - Request for Notice

DOCUMENT I

**SUBORDINATION, NONDISTURBANCE
AND ATTORNMENT AGREEMENT**

AND WHEN RECORDED MAIL TO:)

County of Los Angeles)

Chief Executive Office)

Real Estate Division)

222 South Hill Street)

3rd Floor)

Los Angeles, California 90012

Space above for Recorder's Use

**SUBORDINATION, NONDISTURBANCE
AND ATTORNMENT AGREEMENT**

NOTICE: THIS SUBORDINATION, NONDISTURBANCE AND ATTORNMENT AGREEMENT RESULTS IN YOUR LEASEHOLD ESTATE BECOMING SUBJECT TO AND OF LOWER PRIORITY THAN THE LIEN OF SOME OTHER OR LATER SECURITY INSTRUMENT.

This Subordination, Nondisturbance and Attornment Agreement ("Agreement") is entered into as of the ____ day of _____, 20__ by and among COUNTY OF LOS ANGELES, a body politic and corporate ("Tenant"), [*Insert name of Landlord*], ("Borrower") and [*Insert name of Lender*], ("Lender").

Factual Background

A. Borrower owns certain real property more particularly described in the attached Exhibit A. The term "Property" herein means that real property together with all improvements (the "Improvements") located on it.

B. Lender has made or agreed to make a loan to Borrower. The Loan is or will be secured by a deed of trust or mortgage encumbering the Property (the "Deed of Trust").

C. Tenant and Borrower (as "Landlord") entered into a lease dated _____ (the "Lease") under which Borrower leased to Tenant a portion of the Improvements located within the Property and more particularly described in the Lease (the "Premises").

D. Tenant is willing to agree to subordinate certain of Tenant's rights under the Lease to the lien of the Deed of Trust and to attorn to Lender on the terms and conditions of this Agreement. Tenant is willing to agree to such subordination and attornment and other conditions, provided that Lender agrees to a nondisturbance provision, all as set forth more fully below.

Agreement

Therefore, the parties agree as follows:

1. Subordination. The lien of the Deed of Trust and all amendments, modifications and extensions thereto shall be and remain at all times a lien on the Property prior and superior to the Lease, except that if Tenant is granted any option to extend the Term of the Lease, right of first offer to lease additional premises, option to purchase the Property, or right of first offer to purchase the Property in the Lease, such provisions shall not be affected or diminished by any such subordination, which is conditioned upon the nondisturbance agreement of Borrower and Lender in Section 3 of this Agreement.

2. Definitions of "Transfer of the Property" and "Purchaser". As used herein, the term "Transfer of the Property" means any transfer of Borrower's interest in the Property by foreclosure, trustee's sale or other action or proceeding for the enforcement of the Deed of Trust or by deed in lieu thereof. The term "Purchaser", as used herein, means any transferee, including Lender, of the interest of Borrower as a result of any such Transfer of the Property and also includes any and all successors and assigns, including Lender, of such transferee.

3. Nondisturbance. The Transfer of the Property or any enforcement of the Deed of Trust shall not terminate the Lease or disturb Tenant in the possession and use of the leasehold estate created thereby, or deprive Tenant of any other property rights granted pursuant to the Lease.

4. Attornment. Subject to Section 3 above, if any Transfer of the Property should occur, Tenant shall and hereby does attorn to Purchaser, including Lender if it should be the Purchaser, as the landlord under the Lease, and Tenant shall be bound to Purchaser under all of the terms, covenants and conditions of the Lease for the balance of the Lease term and any extensions or renewals of it which may then or later be in effect under any validly exercised extension or renewal option contained in the Lease, all with the same force and effect as if Purchaser had been the original landlord under the Lease. This attornment shall be effective and self-operative without the execution of any further instruments upon Purchaser's succeeding to the interest of the landlord under the Lease.

5. Lender Not Obligated. Lender, if it becomes the Purchaser or if it takes possession under the Deed of Trust, and any other Purchaser shall not (a) be liable for any damages or other relief attributable to any act or omission of any prior Landlord under the Lease including Borrower; or (b) be subject to any offset or defense not specifically provided for in the Lease which Tenant may have against any prior landlord under the Lease; or (c) be bound by any prepayment by Tenant of more than one month's installment of rent; or (d) be obligated for any security deposit not actually delivered to Purchaser; or (e) be bound by any modification or amendment of or to the Lease unless the amendment or modification shall have been approved in writing by the Lender.

6. Notices. All notices given under this Agreement shall be in writing and shall be given by personal delivery, overnight receipted courier or by registered or certified United States mail, postage prepaid, sent to the party at its address appearing below. Notices shall be effective upon receipt (or on the date when proper delivery is refused). Addresses for notices may be changed by any party by notice to all other parties in accordance with this Section.

To Lender: _____

To Borrower: _____

To Tenant: County of Los Angeles
Chief Executive Office
Real Estate Division
222 South Hill Street, 3rd Floor
Los Angeles, California 90012
Attention: Director of Real Estate

7. Miscellaneous Provisions. This Agreement shall inure to the benefit of and be binding upon the parties and their respective successors and assigns. This Agreement is governed by and construed in accordance with the internal laws of the State of California without regard to the choice of law rules of that State. Any litigation with respect to this Agreement shall be conducted in the County of Los Angeles, State of California.

APPROVED AS TO FORM
MARY C. WICKHAM
INTERIM COUNTY COUNSEL

TENANT: COUNTY OF LOS ANGELES,
a body politic and corporate

By: _____
Deputy County Counsel

By: _____
Christopher M. Montana
Director of Real Estate

BORROWER: *[Insert name of Landlord]*

By: _____
Name: _____
Title: _____

LENDER: *[Insert name of Lender]*,

By: _____
Name: _____
Title: _____

DOCUMENT II

TENANT ESTOPPEL CERTIFICATE

To: [Insert name of party to rely on document]

Attn: _____

Re: Date of Certificate: _____
 Lease Dated: _____
 Current Landlord: _____
 Located at: _____
 Premises: _____
 Commencement Date of Term: _____
 Expiration Date: _____
 Current Rent: _____

County of Los Angeles ("Tenant") hereby certifies that as of the date hereof:

1. Tenant is the present owner and holder of the tenant's interest under the lease described above, as it may be amended to date (the "Lease"). The Lease covers the premises described above (the "Premises") in the building (the "Building") at the address set forth above.

2. (a) A true, correct and complete copy of the Lease (including all modifications, amendments, supplements, side letters, addenda and riders of and to it) is attached to this Certificate as Exhibit A.

 (b) The current Rent is set forth above.

 (c) The term of the Lease commenced on the Commencement Date set forth above and will expire on the Expiration Date set forth above, including any presently exercised option or renewal term. Except as specified in the Lease, Tenant has no option or right to renew, extend or cancel the Lease.

 (d) Except as specified in the Lease, Tenant has no option or right to lease additional space in the Premises or Building or to use any parking.

 (e) Except as specified in the Lease, Tenant has no option or preferential right to purchase all or any part of the Premises (or the land of which the Premises are a part).

 (f) Tenant has made no agreement with Landlord or any agent, representative or employee of Landlord concerning free rent, partial rent, rebate of rental payments or any other similar rent concession except as expressly set forth in the Lease.

3. (a) The Lease constitutes the entire agreement between Tenant and Landlord with respect to the Premises, has not been modified, changed, altered or amended and is in full force and effect. There are no other agreements, written or oral, which affect Tenant's occupancy of the Premises.

(b) To the knowledge of Tenant, Tenant has not given Landlord written notice of a material default under the Lease which has not been cured.

(c) The interest of Tenant in the Lease has not been assigned or encumbered. Tenant is not entitled to any credit against any rent or other charge or rent concession under the Lease except as set forth in the Lease. No rental payments have been made more than one month in advance.

4. All contributions required to be paid by Landlord to date for improvements to the Premises have been paid in full and all of Landlord's obligations with respect to tenant improvements have been fully performed.

5. This Agreement shall be governed by and construed in accordance with the internal laws of the State of California. Any litigation with respect to this Agreement shall be conducted in the County of Los Angeles, State of California.

IN WITNESS WHEREOF, the Tenant has executed this Tenant Estoppel Certificate as of the day set forth above.

TENANT:

COUNTY OF LOS ANGELES

By: _____
Christopher M. Montana
Director of Real Estate

APPROVED AS TO FORM
MARY C. WICKHAM
INTERIM COUNTY COUNSEL

By: _____
Deputy County Counsel

DOCUMENT III

COMMUNITY BUSINESS ENTERPRISES FORM

INSTRUCTIONS: All Landlords shall submit this form on an annual basis on or before December 30th of each year of the term of this agreement as evidence of MBE/WBE participation. The information requested below is for statistical purposes only. On final analysis and consideration of lease will be selected without regard to gender, race, creed, or color. Categories listed below are based on those described in 49 CFR Section 23.5.

I. MINORITY/WOMEN PARTICIPATION IN FIRM (Partners, Associates Partners, Managers, Staff, etc.)

FIRM: NAME

ADDRESS

CONTACT

TELEPHONE NO.

TOTAL NUMBER OF EMPLOYEES IN FIRM: _____

	OWNERS/PARTNERS ASSOCIATE PARTNERS	MANAGERS	STAFF
Black/African American	_____	_____	_____
Hispanic/Latin America	_____	_____	_____
Asian American	_____	_____	_____
Portuguese American	_____	_____	_____
American Indian/ Alaskan Native	_____	_____	_____
All Others	_____	_____	_____
Women (Should be included in counts above <u>and</u> also reported here separately)	_____	_____	_____

II. PERCENTAGE OF MINORITY/WOMEN OWNERSHIP IN FIRM

TYPE OF BUSINESS STRUCTURE: _____ (Corporation, Partnership, Sole Proprietorship, etc.)

TOTAL NUMBER OF OWNERSHIP/PARTNERS, ETC.: _____

PERCENTAGE OF OWNERSHIP

Black/African American	_____
Hispanic/Latin American	_____
Asian American	_____
Portuguese American	_____
American Indian/	_____
Alaskan Native	_____
All Others	_____
Women	_____

(Should be included in counts above and also reported here separately)

III. CURRENT CERTIFICATION AS MINORITY/WOMEN-OWNED FIRM

IS YOUR FIRM CURRENTLY CERTIFIED AS A MINORITY OWNED BUSINESS FIRM BY THE:

State of California?	Yes	No
City of Los Angeles?	Yes	No
Federal Government?	Yes	No

IV. FIRM'S DESIRE NOT TO RESPOND TO INFORMATION

WE DO NOT WISH TO PROVIDE THE INFORMATION REQUIRED IN THIS FORM.

Firm Name: *Amstar-7, LLC*

Signed: *[Signature]*

Date:

Title: *manager*

DOCUMENT IV

MEMORANDUM OF LEASE

**RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:**

County of Los Angeles
Chief Executive Office
Real Estate Division
222 South Hill Street
3rd Floor
Los Angeles, California 90012
Attention: Director of Real Estate

This document is recorded for the benefit of the County of Los Angeles and recording is exempt from recording fees pursuant to California Government Code Section 27383. This transaction is exempt from documentary transfer tax pursuant to California Revenue and Taxation Code Section 11922.

MEMORANDUM OF LEASE

This Memorandum of Lease ("Memorandum") is made and entered into by and between _____ (the "Landlord"), and the COUNTY OF LOS ANGELES, a public body corporate and politic duly organized and existing under the laws of the State of California (the "Tenant") who agree as follows:

Landlord and Tenant hereby enter a Lease of certain property (the "Lease") in the County of Los Angeles, State of California, described in Exhibit A attached hereto and incorporated herein by reference, for a term commencing on _____, 20____, and ending on a date _____ () years after the commencement date, unless such term is extended or sooner terminated pursuant to the terms and conditions set forth in a certain unrecorded Lease between Landlord and Tenant dated _____, 20__.

[Tenant has the option to extend the term of the Lease for a period of ____ () years, subject to the terms and conditions of the Lease.]

This Memorandum has been prepared for the purpose of giving notice of the Lease and of its terms, covenants, and conditions, and for no other purposes. The provisions of this Memorandum shall not in any way change or affect the provisions of the Lease, the terms of which remain in full force and effect.

Dated: _____, 20__.

LANDLORD:

TENANT:

By: _____

By: _____

Its: _____

Its: _____

DOCUMENT V

REQUEST FOR NOTICE

**RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:**

County of Los Angeles
Chief Executive Office
Real Estate Division
222 South Hill Street
3rd Floor
Los Angeles, California 90012
Attention: Director of Real Estate

REQUEST FOR NOTICE

(UNDER SECTION 2924B CIVIL CODE)

In accordance with Section 2924b, Civil Code, request is hereby made that a copy of any Notice of Default and a copy of any Notice of Sale under the Deed of Trust described below:

Date of Recording of Deed of Trust

Instrument Number of Deed of Trust

Trustor

Trustee

Beneficiary

To be mailed to County of Los Angeles, Chief Executive Office, Real Estate Division,
222 South Hill Street, 3rd Floor, Los Angeles, California 90012, Attention: Director of
Real Estate.

"LENDER":

_____,
a _____

By: _____
SIGNEE'S NAME

Its: SIGNEE'S TITLE

(ALL SIGNATURES MUST BE ACKNOWLEDGED)

COUNTY OF _____ ss.

On this _____ day of _____, 20____, before me, _____
_____ a Notary Public in and for the State of California, personally appeared _____
_____ personally known to me (or proved on the
basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the
within instrument and acknowledged to me that he/she/they executed the same in
his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the
instrument the person(s), or the entity upon behalf of which the person(s) acted, executed
the instrument.

WITNESS my hand and official seal

Signature _____

My commission expires _____.